

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TENNESSEE  
NORTHERN DIVISION**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**AIC, INC. et al.,**

**Defendants,**

**and**

**ALLIED BEACON PARTNERS, INC. (f/k/a  
Waterford Investor Services, Inc.) et al.,**

**Relief Defendants.**

**No. 3:11-cv-00176**

**PLAINTIFF'S MOTION TO COMPEL DISCOVERY**

Plaintiff Securities and Exchange Commission (the "Commission"), by and through its undersigned counsel and pursuant to Federal Rules of Civil Procedure 26, 30, 34, and 37, hereby moves this Court for an order compelling discovery and ordering:

1. Defendants AIC, Inc., Community Bankers Securities, LLC, and Nicholas D. Skaltsounis and relief defendants Allied Beacon Partners, Inc. (f/k/a Waterford Investor Services, Inc.), Advent Securities, Inc., and Allied Beacon Wealth Management, LLC (f/k/a CBS Advisors, LLC) (hereinafter, the "AIC Defendants") to review all documents in their respective possession, custody, or control (including any documents currently or formerly stored at any building at or near 12 South Seventeenth Street, Richmond, Virginia) and to send to the Commission's counsel, within fourteen days, copies (either paper format or in a format usable in Concordance and, where appropriate, native format) of all such documents responsive to the Commission's document requests, including all recordings of AIC shareholder, board, and other corporate meetings.

2. The AIC Defendants, within fourteen days, to provide access (at a time reasonably convenient for the Commission staff or its courier or vendor) to documents previously marked for copying or scanning by the Commission staff, so that those documents can be removed, copied or scanned off-site, and returned to the AIC Defendants;
3. As to any document currently or formerly stored at any building at or near 12 South Seventeenth Street, Richmond, Virginia, that the AIC Defendants are precluded (at trial or otherwise in this action) from using any such document unless: (a) it was copied or scanned by the Commission staff (as part of the Commission staff's review of such documents) and included on a disk or disks to be provided by the Commission staff to the AIC Defendants; or (b) actually sent to the Commission's counsel by the AIC Defendants pursuant to Paragraph 1., supra.
4. That a conference be held before the Honorable H. Bruce Guyton at a time convenient for the Court for the purpose of facilitating the scheduling of depositions. Counsel for the plaintiff and counsel for the AIC Defendants should be present at such conference and be prepared to discuss specific dates and times and locations for depositions. (But this requested relief should not preclude the Commission staff from serving otherwise valid subpoenas or notices of deposition.)
5. Requiring the AIC Defendants, by January 6, 2013, to send to the Commission's counsel copies (either paper format or in a format usable in Concordance and, where appropriate, native format) of relief defendant Allied Beacon Wealth Management, LLC (f/k/a CBS Advisors, LLC)'s general ledgers and all of the AIC Defendants' financial records, including all accounting records and bank records, to the extent that such copies have not already been sent to the Commission's counsel.
6. Requiring the AIC Defendants, by January 6, 2013, to serve responses to each of the Commission's document requests indicating that all documents within the AIC Defendants' possession, custody, or control have been produced (or, if certain documents have not been produced or no longer exist or are no longer within the AIC Defendants' possession, custody, or control, identifying such documents and indicating when they will be produced or the circumstances surrounding their destruction or the AIC Defendants' lack of possession, custody, or control).

The Commission reserves the right to file further motions related to discovery served or to be served in this action. The accompanying memorandum of law is incorporated into this motion as if fully set forth herein.

Respectfully submitted,

Dated: January 4, 2013.

s/ Michael J. Rinaldi

G. Jeffrey Boujoukos

Michael J. Rinaldi

Scott A. Thompson

Attorneys for Plaintiff:

**SECURITIES AND EXCHANGE COMMISSION**

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**CERTIFICATE OF SERVICE**

I hereby certify, this fourth of January, 2013, that I served a true and correct copy of the foregoing Plaintiff's Motion to Compel Discovery, by the means indicated, upon the following:

Heather G. Anderson, Esq.  
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s/ Michael J. Rinaldi  
Michael J. Rinaldi